



**LOUISIANA STATEWIDE TRANSPORTATION PLAN UPDATE
ADVISORY COUNCIL MEETINGS – ROUND THREE
REGIONAL PLANNING OFFICIALS | STATE HIGHWAY
OPERATIONS & MAINTENANCE**

January 22, 2014 • 1:00PM to 5:00PM

Marriott Hotel, Baton Rouge, LA

AGENDA

1:00PM to 1:45PM

- | | |
|---------------------------------------------------|------------------------------------|
| ▪ Welcome/Introductions | Eric Kalivoda, DOTD |
| ▪ Comments from the Chairs | Dennis Decker & Vince Latino, DOTD |
| ▪ Questions Before Starting | Don Vary, CDM Smith |
| ▪ Presentation | Don Vary, CDM Smith |
| – Plan Status | |
| – Vision, Goals, Objectives, Performance Measures | |
| – Megaprojects | |
| – Revenue Scenarios | |

1:45PM to 2:00PM – Break

2:00PM to 5:00PM

- | | |
|-------------------------------------|----------------------------|
| ▪ Asset Management Plan | Vince Latino, DOTD |
| ▪ Megaprojects Discussion | Dennis Decker, DOTD |
| ▪ Revenue Scenario Discussion | Don Vary, CDM Smith |
| ▪ Policy Recommendations Discussion | Vince Latino, DOTD |
| ▪ Plan Implementation Discussion | Butch Babineaux, CDM Smith |
| ▪ Wrap Up/Next Steps | Don Vary, CDM Smith |



www.dotd.la.gov/study

FORECASTED REVENUE SCENARIOS | FY 2012-2044

Scenario 1B - "BASELINE"

- Business as usual, no new revenues or adjustments.

Scenario 2B - "REDUCTION"

- Major reduction in Federal funds (AASHTO, 2012), State funds remain unchanged.

Scenario 3B - "MODERATE INCREASE"

- Increase in Transportation Trust Fund due to State vehicle sales tax revenue infusion in FY 2020, Federal funds remain unchanged.

Scenario 4B - "AGGRESSIVE INCREASE"

- State vehicle sales tax revenue infusion in FY 2020 + increase in Federal funds in FY 2020.

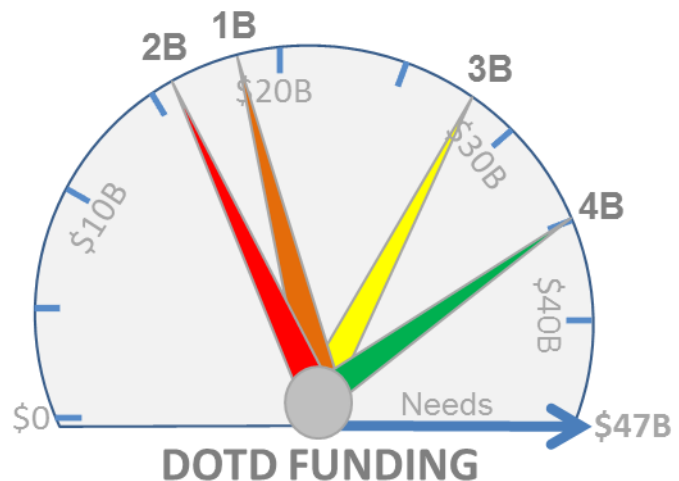
NEEDS = \$47 Billion

Scenario 1B = \$18.6 Billion

Scenario 2B = \$16.1 Billion

Scenario 3B = \$28.1 Billion

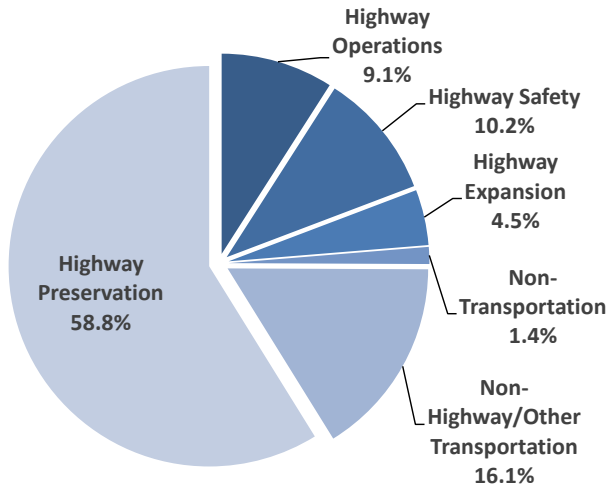
Scenario 4B = \$35.1 Billion



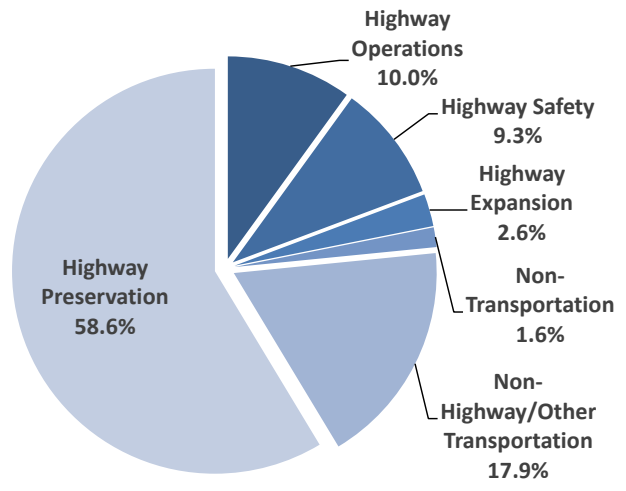
Forecasted Revenue Scenarios by Mode

Mode	Scenario Revenue Levels [FY 2012 – 2044] Constant 2010 Dollars, in Billions			
	1B	2B	3B	4B
Roadway & Bridge	\$15.6	\$13.4	\$24.5	\$31.0
Transit	\$1.8	\$1.5	\$1.8	\$2.3
Port	\$0.5	\$0.5	\$1.0	\$1.1
Aviation	\$0.7	\$0.7	\$0.7	\$0.7
Rail	\$0.0	\$0.0	\$0.1	\$0.1
Total (Billions)	\$18.6	\$16.1	\$28.1	\$35.1
Annual Average (Billions)	\$0.56	\$0.49	\$0.85	\$1.06

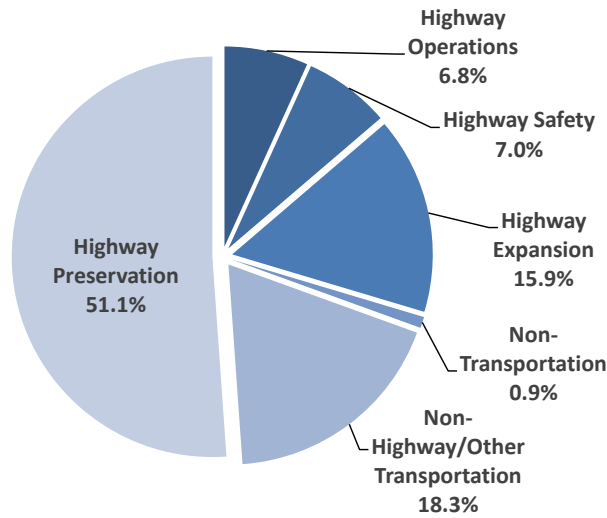
Revenue Scenario Allocations | FY 2012-2044



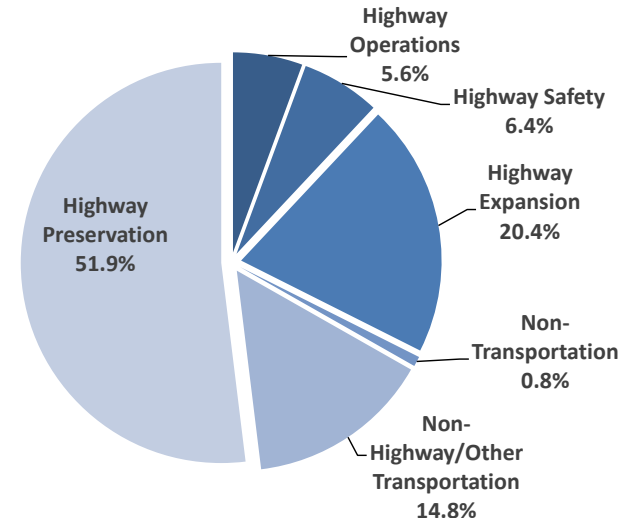
Scenario 1B – “Baseline”



Scenario 2B – “Reduction”



Scenario 3B – “Moderate Increase”



Scenario 4B – “Aggressive Increase”

Source: CDM Smith, 2013

Forecasts and information are for planning purposes only.

Assumptions:

- Constant dollars, 2010.
- Federal revenues based on MAP-21, DOTD’s historic suballocations continue.
- State revenues based on Louisiana Revenue Estimating Conference results, considers debt service commitments, other administrative costs deducted.

FUNDING OPTIONS

Needs versus Revenue [FY 2012-2044] = Funding Gap, in Billions

Mode	Needs	1B – “Baseline” Revenues	Funding Gap
Roadway & Bridge	\$28.2	\$15.6	\$12.6
Transit	\$7.2	\$1.8	\$5.4
Freight & Passenger Rail	\$2.0	\$0.0	\$2.0
Ports & Waterways	\$7.1	\$0.5	\$6.6
Aviation	\$2.6	\$0.7	\$1.9
Total	\$47.1	\$18.6	\$28.5

Note: Constant dollars, 2010. Information is for planning purposes only.

Potential Funding Options to "Fill the Gap"



General Sales Tax: Replace the 20-cents-per-gallon motor fuel tax with an increase in the statewide sales tax on all items subject to the current Louisiana sales tax.



Motor Fuels Sales Tax: Convert the 20-cents-per-gallon gasoline tax to a statewide percentage sales tax applied to the value of the motor fuel purchased (or add a smaller sales tax).



VMT Fee: Assess a mileage-based, direct user fee to all driving on all roads.



Local Options: Local funding options such as local motor fuel taxes, local vehicle registration fees, property taxes, local option sales taxes, and local income taxes.



Advanced Transportation District: Regional tax districts which may be established to fund transportation projects.



Tolling: Fees directly imposed to utilize a specific facility.



Indexing Motor Fuel Taxes: Ties motor fuel taxes to an inflation index (eg. Cost of Living Index, Consumer Price Index.) allowing revenues to grow without legislative action.



Project Specific Tax: A sales or motor fuels tax for a specified period to cover the cost of one or more projects (eg. TIMED Program).



Registration Fees: Increase vehicle registration fees.



Violation Surcharge: A surcharge on certain traffic violations in addition to normal court-inflicted penalties with proceeds allocated to specific public programs (eg. transportation).

Revenue Potential of Funding Options

Funding Option	Potential Yield
General Sales Tax	1-cent sales tax could generate \$650 million/year
Motor Fuels Sales Tax (% of Value)*	7% would have generated \$100M in additional \$ (2012)
VMT Fee	One-cent per-mile fee could raise \$32.4 billion <u>nationally</u> (2010)
Local Options	Yield varies based on population size and amount of tax levied
Advanced Transportation District Tolling	Yield varies based on district size/boundaries
Indexing Motor Fuel Taxes	Yield varies depending on toll rates and traffic
Project Specific Tax	Yield varies depending on indexing mechanism
Registration Fees	Yield varies according to project cost and public willingness
Violation Surcharge	An effective \$1 increase in vehicle registration fees may generate about \$4 million
	\$25-\$40 million annually if similar to recent initiative in another state

Source: CDM Smith, 2013.

*Replace state gas tax with 7% motor fuels sales tax.

Evaluation of Funding Options

Funding Option	Potential Yield	Sustainability
General Sales Tax	Moderate	High
Motor Fuels Sales Tax (% of Value)	Moderate	High
VMT Fee	High	High
Local Options	Moderate	Moderate
Advanced Transportation District Tolling	Low	Moderate
Indexing Motor Fuel Taxes	Moderate	Moderate
Project Specific Tax	High	High
Registration Fees	Low	Low
Violation Surcharge	Moderate	Moderate
	Moderate	High

Source: CDM Smith, 2013.